



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

April 3, 2006

The Honorable Mark E. Souder
Chairman
Subcommittee on Criminal Justice
Drug Policy and Human Resources
Committee on Government Reform
U.S. House of Representatives
B-377 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

Thank you for the opportunity to help the subcommittee better understand the President's FY 2007 Federal Drug Control Budget. Please find enclosed answers to the Committee's questions for the record. I hope they prove to be helpful in the work of the Committee.

Thank you again for your dedication on the issue of drug control and your support for the President's *National Drug Control Strategy*. I appreciate your valuable insights and perspectives. If I may be of further assistance, please contact me directly at (202) 395-6700 or have your staff contact my Office of Legislative Affairs at (202) 395-6602.

Respectfully,

A handwritten signature in cursive script, reading "John P. Walters".

John P. Walters
Director

Enclosure

Questions Relating to Prevention

1. As in years past, the Administration's 2006 National Drug Control Strategy identifies drug use prevention – “stopping drug use before it starts” – as one of the three key pillars of drug enforcement. Yet in both absolute and relative terms, prevention programs are rapidly shrinking as a part of the Administration's actual drug budget. Prevention comprises only 11.7% of the entire FY 2007 drug control budget – a 19.3% decrease in prevention funding from FY 2006. In fact, prevention is the only drug control area that has seen a consistent, five year decline in funding.

a. Why is it that prevention -- stopping use before it starts – one of the three pillars of the drug control program – is the only area that ONDCP has certified for funding below the prior year for five years in a row?

b. How does a consistent drop in prevention funding support the overall administration goal of demand reduction?

The FY 2007 Budget requests \$12.7 billion for the FY 2006 National Drug Control Strategy. Prevention programs that are effective at reducing drug use or that show strong promise of effectiveness in America are strongly supported. For example, the Administration has requested \$79.2 million for the Drug Free Communities Program; \$120 million for the National Youth Media Campaign, an increase of \$21 million over FY 2006; and \$197 million for Safe and Drug Free Schools National Programs, an increase of \$56 million over FY 2006 to support projects with measurable outcomes and strong accountability mechanisms to help ensure that Federal funding produces positive results. The FY 2007 Budget for SDFS National Programs includes \$15 million for Student Drug-Testing programs, an increase of \$4.6 million over FY 2006. The Administration has proposed a comprehensive, balanced, and functional strategy to continue to reduce the nation's illegal drug use. The Strategy and the budget reflect the realities of effective drug control: prevention is coupled with treatment and research, and demand reduction efforts are supported with measures to reduce the domestic and international supply of drugs. The Administration is confident that the proposed funding levels for the complementary elements of the strategy can deliver results.

2. Last year ONDCP used CADCA and its extensive network of community coalitions to plan and implement the new grantee applicant workshop. CADCA did this at cost for \$99K and produced over 800 individuals at these workshops. Given ONDCP's budget is constrained, why would you pay a Beltway Bandit more than three times as much money when they have no connection to the field and in fact have secured less than 200 attendees to date?

The Office of National Drug Control Policy (ONDCP) contracted with Capital Meeting Planning at a total cost of \$48,885 – less than half the cost of last year's CADCA-run event. Capital Meeting Planning is a small business on the GSA schedule that has successfully executed several similar previous events for ONDCP. Additionally, since 600 fewer organizations/individuals qualified to attend this year's event, the final attendance of 346 for this year's event is very appropriate.

In the interest of reducing costs and improving the quality of the training, ONDCP decided to contract directly for the logistics for the FY 2006 Grant Application Workshops because of several problems associated with last year's event. Those problems included (1) the online registration for the events was not built in an appropriate time frame, (2) the contracts with the host hotels were not in place even after the dates, locations, and hotel contact information had been published to potential applicants, and (3) materials did not arrive at the first training until midway through the training.

ONDCP believes that by contracting with a firm whose sole purpose is the successful execution of meetings and conferences, we secured the talents and resources necessary to improve the quality of the workshop at half the cost. ONDCP also relied on the unique strengths of our partnership with CADCA and its network of community coalitions to reach out to its membership on behalf of the program and advertise the workshops in the exact same manner that they did last year. Additionally, ONDCP worked with the Coalition Institute in the planning of the agenda, and institute staff presented at the workshops on coalition development, as they had done last year. Aside from providing logistics services, CADCA and the Coalition Institute contributed the exact same services to the workshop as last year.

ONDCP is pleased with the quality of this year's event, the reduced cost of this year's event, and our ability to partner with CADCA and others to ensure appropriate participation in this year's event.

Questions Relating to State and Local Law Enforcement Assistance

1. The Administration's budget again proposes to zero out Byrne Grants, and would make deep cuts in the COPS and other assistance programs for state and local law enforcement. Those state and local agencies make 95% of the drug arrests in this country. They have, collectively, a lot more manpower than federal drug enforcement agencies. They have access to intelligence and information that federal enforcement agencies need to be effective. If federal agencies aren't aware of what state and local agencies are doing, and vice versa, you can have direct conflicts between investigations. And finally, quite frankly, state and local cops have been your most reliable allies in the political fight against marijuana and other drug legalization initiatives. So, why have you been certifying budget requests that cut the programs state and local law enforcement agencies actually like?

The President's FY 2007 budget request for the Community Oriented Policing Services program (COPS) doubles the amount of funds available to clean up methamphetamine labs. Since 1998, the COPS Office has partnered with the DEA to support state and local law enforcement and their efforts to clean up methamphetamine labs. The request for FY 2007 for this purpose is \$40 million -- up from the enacted level of \$20 million in FY 2006.

The request also includes funding for COPS for other critical law enforcement needs including training and technical assistance. These funds are available to train state and local law enforcement on community policing strategies to combat crime and drugs. The request also

funds programs to support Indian country, doubling the amount available to help Tribal law enforcement agencies improve their crime-fighting infrastructure. The FY 2007 budget does not request funds for hiring additional community policing officers, consistent with FY 2006 enacted levels, and consolidates interoperability grant programs into the Department of Homeland Security.

The ONDCP and this Administration values the hard work of local law enforcement in the fight against illegal drugs. However, the Byrne Grant program has simply not demonstrated results adequate with its previous funding levels and, in fact, has received a “Results Not Demonstrated” rating in the Office of Management and Budget’s (OMB) Program Assessment Rating Tool (PART) process. This lack of demonstrable results may be directly attributed to the fact that the program, with its six purpose areas (now seven, per the DOJ Reauthorization of 2005) and previous 29 purpose areas, serves as a “catch all” funding program for many types of responses to various types of crime and social problems. In fact, Byrne Grants funds can be used to support virtually any type of programming with a justice nexus except construction of facilities. With these funds being so diffused, the ability of local law enforcement to make an impact at the level necessary to justify the program has been greatly reduced or “watered down.” It is simply not feasible for local law enforcement, despite their tremendous efforts and many localized successes, to have the necessary impact under a program with such broad funding purposes. For this reason, the Administration, while strong in its support for law enforcement, cannot support the Byrne program.

Questions Relating to ONDCP’s Budget Request

1. The Administration’s request for ONDCP’s operations and salaries is \$23.3 million, which is \$3.6 million less than what Congress appropriated last year. You told us last year that some of last year’s similar reduction was accounted for by a \$2.6 million shift in rent costs from ONDCP’s account to another office within the White House. Assuming that is the case again this year, what accounts for the remaining \$1 million decrease?

The FY07 budget request reflects a net reduction of over \$3.3 million from the FY06 post-rescission level of \$26.6 million. The net reduction includes moving \$3.6 million for rent and \$.099 million for enterprise service expenses to *The White House* consolidated appropriation; and increasing \$0.3 million for projected increases in personnel compensation and benefits.

2. The Administration is also asking for the authority to transfer up to 10% of ONDCP’s annual appropriation from Congress to any other department or program, without any prior approval of Congress. Apparently there is no restriction on the purpose or reason for such a transfer, meaning it wouldn’t just be restricted to national emergencies.

a. Why is the Administration asking for the authority to take away one-tenth of your annual budget?

The FY 2005 10% transfer authority encompassed eleven EOP accounts, including ONDCP. The FY 2006 10% transfer authority currently encompasses nine EOP accounts, but does not include ONDCP. The FY 2007 10% transfer authority request to reinstate the ONDCP Salaries and Expenses account provides the President limited flexibility and consistency in transfer authority across all EOP accounts to address emerging priorities and shifting demands. It should be noted that the transfer authority enables funding to be both transferred in, and out, of accounts with a limitation of increasing any appropriation by 50%, and that such transfers are not intended to be used for new missions or programs.

b. What would be the impact on ONDCP if it suddenly lost 10% of its budget? How would you make up for the loss?

If the 10% authority was exercised in the manner described, ONDCP would have to reevaluate our budget and cut spending in areas that would not directly affect ONDCP's mission.

c. Do you support this proposal? Do you think it is good for drug control?

ONDCP supports all proposals of the President's budget. This proposal will improve the President's flexibility and effectiveness in meeting needs across the EOP (including drug control, if necessary).

3. You mentioned Mr. Garland, the Acting United States Interdiction Coordinator (USIC) in your opening statement. How much of the ONDCP budget request would go towards the USIC position? What exactly does that pay for?

None of the budget request is specifically for the USIC position. Historically, however, ONDCP has supported the USIC staff with approximately \$0.2 million for supplies, incidentals, travel-related costs, and analytical services.

Questions Relating to the HIDTA Program

1. The Administration is once again proposing to transfer the HIDTA program to the Department of Justice, where it will (apparently) be managed by the Organized Crime Drug Enforcement Task Force (OCDETF) program (see DOJ 2007 Budget and Performance Summary, page 107: "The FY 2007 President's Budget proposes the transfer of the HIDTA program from [ONDCP] to OCDETF."). We have several questions related to this move:

a. How will the transfer improve the HIDTA program? Please provide some specific examples.

For the FY 2007, the Budget proposes transferring the HIDTA program, operated by the ONDCP, to the Department of Justice (DOJ). Moving the HIDTA Program to the

Department of Justice makes sense for a number of reasons. First and foremost, HIDTA is principally a drug enforcement program. Even though several Government entities play critical roles in the overall counter-drug effort, it is the Department of Justice (DOJ) that is primarily responsible for pursuing drug enforcement priorities and goals. The Justice Department directly oversees the primary drug agency, the Drug Enforcement Agency (DEA), as well as the Federal Bureau of Investigation (FBI), Alcohol, Tobacco and Firearms (ATF), United States Marshall Service (USMS) and the National Drug Intelligence Center (NDIC). Through its supervision of the United States Attorneys and the Criminal Division, the Department determines which drug cases ultimately will be prosecuted federally and which cases will be handled in partnership with state and local law enforcement. Because the Justice Department is responsible for establishing an enforcement strategy that best furthers the policy goals of the National Drug Control Strategy, it is in the best position to assess how the Government's various drug enforcement resources -- including those of the HIDTA Program -- can be used most effectively to achieve the overall objectives of that strategy. By managing both HIDTA and the Organized Crime Drug Enforcement Task Forces (OCDETF), the Department can develop a comprehensive enforcement strategy, assigning priorities for, and mobilizing the resources of, both programs to ensure that they are working in ways that complement each other but, at the same time, do not unnecessarily duplicate effort. The result will be a more effective attack on the entire spectrum of drug crime.

b. What are the deficiencies in the current HIDTA program that you are seeking to correct? Again, please be specific.

The primary purpose for transferring the HIDTA Program to DOJ is to improve coordination and communication between the HIDTA Program and DOJ, ultimately yielding a more swift, efficient, and comprehensive response to the drug threat facing this Nation. Respectfully, the question is how can we improve our drug law enforcement efforts to achieve greater efficiency and effectiveness? From both a managerial perspective and a strategic perspective it makes sense to transfer HIDTA, an operational program, from ONDCP, a policy office, to DOJ where HIDTA's efforts can be coordinated with other operational drug enforcement programs. This will place the HIDTA program in the same Department as the agencies and programs with which HIDTA participants work on a daily basis in communities across this country.

c. The Department of Justice has told us conflicting things about exactly who at DOJ will be managing the HIDTA program. The documents actually cleared by the Office of Management and Budget (OMB), namely the Administration's printed budget submission, and DOJ's budget submission, indicate OCDETF will run the program; however, other Justice Department officials have told us that someone else would run the program. Exactly which person, or division of DOJ, will be responsible for managing the HIDTA program?

According to the President's budget, the HIDTA program will be administered as a separate entity within the Department of Justice. HIDTA will remain a separate

program within DOJ with its own budget and an independent management structure, residing within the Office of the Deputy Attorney General.

d. What specific changes in the management and administration of the HIDTA program will be made by the Department of Justice?

As stated above, HIDTA will remain a separate program within DOJ with its own budget and an independent management structure, residing within the Office of the Deputy Attorney General.

i. You and the Attorney General both wrote me on Tuesday, promising that the Department of Justice would preserve “decentralized decision-making” and “equal partnership with state and locals” in the HIDTA program. Does this mean that you are committing that the Justice Department will never seek to end the current 50-50 voting power of state/local agencies, on the HIDTA executive boards? And are you committing that the Justice Department will never seek to remove the power of those executive boards to determine which initiatives get funded within the HIDTAs, or to hire and fire the HIDTAs’ administrative staff?

The Department plans to retain all of the existing 28 HIDTAs and their Executive Boards comprised of equal federal and state/local representation. There are no plans to alter the power of those executive boards to determine which initiatives are funded and no plans to alter the executive board’s authority to hire and fire HIDTA administrative staff.

e. [Note: If he says there is no specific plan, but that the department will study the program and make changes at a later date] The Administration said that last year when it made a similar proposal. As Director of ONDCP, you have been responsible for administering the HIDTA program now since 2001. The Administration first proposed moving the program a year ago. Are you telling me that you still don’t have a specific plan for how the Administration would improve the program?

Transferring the HIDTA program to the Department of Justice is designed to improve our overall national response to drug trafficking which threatens the very fabric of our society. This is not about identifying flaws in one program or another. This transfer will unite the HIDTA program with several other drug enforcement programs and agencies in one Department where their capabilities, as a whole, can be leveraged to target the most significant drug trafficking organizations impacting our national drug supply. With its emphasis upon state and local law enforcement, the HIDTA program is well-placed to use the expertise of state and local law enforcement to identify emerging trends and market segments impacting both their home towns as well as the national drug supply. This transfer will facilitate communication and coordination among the other drug enforcement entities.

f. Will the Department of Justice keep the 50-50 balance between state and local agencies and federal agencies, on the HIDTA executive boards? Will those executive boards keep their authority over how to allocate the funds given under the program?

The Department intends to retain the balance between state and local agencies and federal agencies on the HIDTA Executive Boards. The Boards will retain authority to allocate funding to programs which further the HIDTAs strategic plan and which perform successfully.

g. The Administration has frequently argued that this move will allow HIDTA to be “better coordinated” with OCDETF and other Justice Department programs. You and the Attorney General repeated that claim in a letter to me sent this past Tuesday. How, specifically, will this happen? What are the shortcomings currently in HIDTA-OCDETF coordination? Please give some specific examples.

Again, this transfer is not a matter of shortcomings, but rather it is a matter of improving our coordination and communication nationally. Transferring the HIDTA Program to DOJ will enable HIDTA leadership and OCDETF leadership to coordinate their strategic plans to more effectively address the complete spectrum of drug crime. It will facilitate information sharing between the two programs, most significantly by connecting the HIDTA Intelligence Support Centers (ISC) with the OCDETF Fusion Center. The HIDTA ISCs do a marvelous job of deconfliction and they also serve as a repository for historical information which often adds value to existing investigations. Connecting the ISCs with the OCDETF Fusion Center, however, will provide HIDTA investigators with the ability to fuse HIDTA intelligence with that of other participating agencies. Reactive information can then be converted into proactive intelligence leads. Even though the recent ONDCP Reauthorization language requires this coordination, locating the HIDTA Program at DOJ where the OCDETF Fusion Center also resides, can only enhance this process. From a managerial and strategic perspective, it simply makes good sense to house two closely related programs in the same Department.

h. Many non-Justice Department agencies, like ICE, CBP, Coast Guard, and even the IRS, are active participants in HIDTA. OCDETF has not had a very good “track record” of ensuring coordination. Why do you think that moving HIDTA under management of OCDETF, or any other Justice Department entity, will improve the relationship between the HIDTAs and those non-Justice agencies?

Next year will mark the 25th year for the OCDETF Program which has earned a substantial and commendable record of successful drug law enforcement coordination. This “track record” is the very reason that in 2002 Attorney General Ashcroft designated the OCDETF Program as “the centerpiece” of the Department’s drug enforcement strategy. In fact, the OCDETF Program has never been more relevant that it is today. It serves a critical role in our nation’s coordinated drug enforcement strategy and in successfully implementing that strategy nationally. It is a testament to OCDETF’s success that despite having no control over non-justice agency funding, OCDETF’s non-

justice agency partners continue to devote critical resources to the OCDETF Program. In fact, ICE, USCG and IRS senior agents participate at all levels of OCDETF leadership including the ICE Senior Special Agent who serves as OCDETF Associate Director. Many of our greatest national successes against major drug trafficking organizations, for example Panama Express which involves ICE, FBI, DEA, USCG, JIATF-South and numerous state and local officers, are OCDETF coordinated and supported operations.

The HIDTA program will be transferred to DOJ where it will remain a separate program, with its own budget and an independent management structure, residing within the Office of the Deputy Attorney General. The HIDTA Program will not be managed by OCDETF.

2. Last year, the Administration proposed to move the program, and to cut it by \$126 million to only \$100 million. This year, the Administration has proposed \$208million. Why did the Administration's proposals fluctuate so wildly over just two years?

The FY 2007 budget request for the HIDTA program is \$207.6 million. This request will provide level funding to all the HDTAs.

a. How did the Administration arrive at the \$208 million figure? Since that amount allows all of the existing HDTAs to be level funded, does that mean the Administration is going to support level funding again?

The \$208 million figure is the amount required to level fund all base programs of the HDTAs. The Administration believes that is the appropriate level.

3. The Administration has also stated that the newly relocated HIDTA program will be "better focused," and will "focus funds on regions that are primary national drug distribution or transit zones."

a. Does this mean that the Department of Justice plans to reallocate the current funding among the various HDTAs? If so, which HDTAs will be plussed up (and by how much), and which will be decreased or eliminated?

Improving the HIDTA Program's focus does not require a reallocation of current funding. As stated above, DOJ intends to retain all of the 28 existing HDTAs.

b. If not, then why propose moving the program at all?

See answers above.

c. If you don't know yet which HDTAs will be reduced or de-funded, and which will be increased, why is that? Are you saying that, after running this program for almost five years, you still have no idea which HDTAs are "primary national drug distribution or transit zones," and which ones are not?

See answer to question number 3a.

4. Did you consult with any of the HIDTA directors, or any other state or local law enforcement officials, regarding this proposed transfer? If so, did they support it or oppose it?

ONDCP is in constant communication with law enforcement officials and the HIDTA directors. On this particular issue, ONDCP did not directly consult with the HIDTA directors or state and local law enforcement officials. The Deputy Attorney General, however, met with the HIDTA Directors at their annual meeting in February 2006 to address their concerns. The Deputy Attorney General then followed up with the HIDTA Directors in a March 2006 letter to each of them individually, soliciting their input into the specifics of how DOJ could most effectively administer the HIDTA Program.

5. The ONDCP reauthorization bill approved by our Committee last year, H.R. 2829, includes the “Dawson Family Community Protection Act,” which Ranking Member Cummings and Chairman Souder introduced. That legislation sets aside a modest amount of money within the HIDTA program for initiatives to help citizens cooperate with the police to rid their neighborhoods of the kind of violent drug dealers who killed the Dawson family in Baltimore. During our discussions with you about the bill, neither you nor your staff expressed any opposition to, or concern with, the Dawson Family Act provision.

a. Have you or your staff told any Congressional committee that ONDCP opposes, or has concerns about, the Dawson Family Community Protection Act provision within H.R. 2829?

b. If so, why does ONDCP oppose the provision, and why didn’t you tell us you opposed it last year?

Response to a. and b. ONDCP is as outraged as anyone about the horrific events surrounding the retaliatory murders of the Dawson family. However, we are concerned that this provision may set a precedent for future earmarking of these funds should similarly tragic events occur in the future. The HIDTA Program is not a good vehicle for addressing all drug-related problems in the United States.

Questions Relating to Counterdrug Technology Assessment Center (CTAC)

1. Your budget proposes to eliminate the CTAC Technology Transfer Program, which provides anti-drug trafficking technology to state and local law enforcement agencies. Why is this program being targeted for elimination?

a. What specific problems did the program have? Did you try to reform or fix those problems before proposing to terminate it?

As you know, this Administration and ONDCP is faced with a tight budget year in which prioritization is necessary. While CTAC’s Technology Transfer Program is a well-

functioning program, when viewed in the overall drug control strategy, it is not our highest priority. It is therefore necessary to make cuts to some of our lower-priority programs which in this case encompass CTAC's Technology Transfer Program.

Questions Relating to Homeland Security and Drug Interdiction

1. When Congress created DHS in 2002, it defined drug interdiction as one of the primary missions of the Department. This year, however, the Administration's budget request for the Coast Guard (a key DHS drug interdiction agency) categorizes "Illegal Drug Interdiction" and "Other Law Enforcement" missions as "Non-Homeland Security" missions (Coast Guard Budget in Brief document (page B-2). This proposed change clearly runs contrary to the organic statute establishing DHS.

a. Who proposed this change? Did lawyers at ONDCP and DHS sign off on this abdication of duty?

Section 889 of the Homeland Security Act (P.L. 107-296) authorizes the Office of Management and Budget to compile estimates of funding related to homeland security consistent with the definition from the 2002 Annual Report to Congress on Combating Terrorism. That report refers to "homeland security" as those activities that detect, deter, protect against, and respond to terrorist attacks on the United States. Upon review of the Coast Guard programs for "Drug Interdiction" and "Other Law Enforcement," OMB determined that these programs do not meet government-wide standards for the definition in section 889, and reclassified the funding to ensure consistency in reporting homeland security programs to the Congress. The "Other Law Enforcement" mission focuses on the enforcement of maritime fishery boundaries, primarily in the North Pacific Ocean around the state of Alaska, and does not directly focus on terrorism or terrorists.

OMB also closely reviewed section 888 of P.L. 107-296, which clearly states that categorizing "Drug Interdiction" and "Other Law Enforcement" as "homeland security" only applies to that specific part of the legislation, not the separate section 889 which prescribes how OMB should report homeland security programs government-wide. This interpretation was approved by the OMB Counsel's office and accepted by the DHS Counsel's office.

b. Did you certify the reclassification when you reviewed DHS' budget proposal?

The Director of ONDCP certified a level of funding for all DHS drug control agencies, including the United States Coast Guard that would adequately support the President's Drug Control Strategy.

c. How much will this change impact the Coast Guard Drug Interdiction budget, which you certify? Will it impact out-year budget projections?

The President develops his budget proposal annually to identify the highest-priority needs of the country. The change in homeland security classification of the Coast Guard "Drug Interdiction" budget was made to ensure consistent reporting of Homeland Security funding in the budget document, not to signal a revision to the President's commitment to fund the effort to eliminate the illegal importation of drugs into the country.

The revision to the homeland security classification of the Drug Interdiction budget will also have no effect on the Coast Guard's ability to execute this mission, or on the agency's effectiveness in reducing the illegal drug trade in the maritime environment.

2. The Department of Homeland Security recently reassigned responsibility for protecting the airspace in the National Capitol Region (NCR) to the Coast Guard. Apparently, the Coast Guard is planning to move helicopters currently used in drug interdiction operations in the Caribbean to Washington to fulfill the NCR mission. Have you taken any steps to ensure that Coast Guard "backfills" the loss of those helicopters with new helicopters in the Caribbean? If not, why not?

Until additional helicopters can be purchased and outfitted, the NCR initial operating capability (IOC) will be met by existing fleet aircraft (HH-65C models) typically used to support cutter deployments and special missions. The use of these cutter deployment/special mission helos will be offset by exercising the last year option of the Coast Guard MH-68 armed helo service contract at HITRON Jacksonville, which will continue to provide eight armed helos & 1,000 cutter days deployed at sea (DDAS) until the contract expires in January 2008. Originally the Coast Guard planned to replace the leased MH-68 helos with newly armed MH-65C helicopters in January 2007. Utilizing the last year option of the MH-68 service contract will allow the Coast Guard time to purchase and outfit additional HH-65C helicopters by the time the MH-68 service contract expires in January 2008. This plan, which involves the purchase and outfitting of 7 additional airframes by January 2008 (5 operational; 1 training; 1 support), will preclude the loss of any counter drug DDAS in the interim.

3. The proposed merger of the legacy Customs Air and Marine Operations (AMO) program, with the much smaller Border Patrol aviation program has raised serious questions for us, especially since AMO is now the primary source of maritime patrol aircraft (MPA) for our drug interdiction efforts. We have several questions about your oversight of the AMO Border Patrol merger.

a. Have you, or anyone at ONDCP, been directly involved in the ongoing discussions about how to structure the new "CBP Air" program? In particular, have you taken steps to ensure that the newly merged program does not reduce its drug interdiction activities in the transit zone?

Our overriding interest regarding CBP's restructured aviation program is preserving MPA (P-3) presence in the transit zone. To that end, Director Walters has met with cognizant CBP officials, who have assured Director Walters that CBP's P-3 MPA assets will continue to focus on the "deep" interdiction mission.

b. What is your opinion of CBP's plan to transfer so-called "tactical" control of AMO's assets to the individual Border Patrol sector chiefs? Are you satisfied that the sector chiefs will ensure no drop in counterdrug operations by the legacy Customs assets?

ONDCP is confident that national policy and resource allocation decisions made by CBP senior leadership will be adhered to in the field.

c. Have you spoken to anyone at CBP about the status of the Customs P-3 aircraft under the newly merged program?

Director Walters has raised the issue of the status of Customs P-3 aircraft with cognizant CBP officials, specifically, how the newly merged program would affect support to Transit Zone Operations. The Director has received assurances that there would be no policy or employment changes concerning the P-3 mission. CBP plans to fly at least 7,200 hours in 2006.

4. The Administration's budget proposes to zero out the P-3 service life extension program (SLEP), which Congress funded at over \$60 million for FY 2006. Also, according to DHS, the Administration's request for \$61 million for "procurement" for CBP Air would be spent entirely on small helicopters for the Border Patrol.

a. Did you certify that request?

b. Why hasn't the Administration proposed either to extend the life of the P-3s, or to purchase a true replacement? What does the Administration expect to happen when the current P-3s wear out in a few short years?

Response to a. and b. above: Director Walters certified a level of funding for DHS that would adequately support the President's National Drug Control Strategy. CBP's P-3s are currently undergoing a Service Life Assessment Process (SLAP), which was included in the FY 2006 budget, to determine the requirements for the eventual SLEP. This process will take some time to complete. Once CBP determines the amount required to SLEP the aircraft, they intend to pursue the funding.

5. Since your budget summary shows a steep decline in prevention programs, and miniscule increases in treatment and domestic law enforcement programs, the only reason the administration's "drug budget" shows an increase is because interdiction and international programs have supposedly increased substantially. Much of the interdiction increase, in turns, comes from CBP's proposed increases for assets for the Secure Border Initiative (SBI).

a. Most of the SBI increase comes in the form of new Border Patrol agents, and technology and assets designed for border operations. However, almost all of the Border Patrol's drug seizures occur at checkpoints on highways behind the ports of entry. In other words, the new assets for Border Patrol are not primarily

intended for the places where Border Patrol actually seizes drugs. Why are you counting those assets as drug budget assets?

SBI secures our borders from all threats, and the threats are very difficult to differentiate. Border Patrol Agents and Inspectors look for contraband of all types. There are no WMD agents/inspectors and drug agents/inspectors -- just agents and inspectors looking for a broad range of illicit contraband. Strengthening our border defenses against WMD or illegal migrants will certainly also strengthen our border defenses against drug smuggling. South of the Border, Drug Trafficking Organizations control territory -- they wield sufficient power to control local law enforcement, judicial, and government officials. They generally know about, approve, and profit from all illegal activity carried out in their territory. Thus, to truly secure our borders from all threats, we must particularly target the drug threat.

With respect to drug seizures, not all seizures occur at checkpoints or ports-of-entry. Significant amount of drugs, particularly marijuana, are seized between the ports-of-entry. For example, in FY 2004, 256,173 kilograms were seized between the ports-of-entry. This is comparable to ports-of-entry and slightly less than what was seized at checkpoints.

CBP is a multi-mission agency responsible for the movement of carriers, persons, and commodities between the U.S. and other nations. A key law enforcement function of CBP is counterdrug enforcement along the nation's borders. As a multi-mission agency, CBP computes its drug-related budget using an established methodology. The FY 2007 figure represents CBP's best estimate of the drug attribution associated with the total agency request of \$6.6 billion. A more accurate picture of this estimate will be available when the Department of Homeland Security's Inspector General validates the methodology and reports on the actual distribution of drug control resources among the various CBP organizational units.

b. Did you closely examine CBP's budget proposal, to ensure that their calculation of how much of their assets plus-up was drug-related made sense?

See answer 4.a. above.

6. During the hearing, you testified that declining maritime patrol aircraft (MPA) resource hours dedicated to drug interdiction in the transit zone no longer presents a critical problem to the National Drug Control Strategy. You also showed a poster sized graphic illustrating the decline in both long range and short range MPA support. Your testimony contradicts a message put out by the U.S. Interdiction Coordinator (USIC) on July 1, 2004, which called for community-wide action to address the perilous decline in MPA flying hours. Your testimony also contradicts a November 2005 GAO report (GAO-06-200) which expressed concern that the long-term implications of likely declines in transit zone assets, including MPA, have not been addressed.

a. What has changed since July 2004, to resolve the critical shortage of MPA flying

hours?

b. What role has USIC performed in resolving the MPA issue?

Response to a. and b. above: The USIC has been an integral part of coordinating and facilitating interagency discussions on declining MPA support. Through the intervention of the USIC:

- CBP Air's budget was increased in 2005 to increase flight hours in support of JIATF-South allowing a 400 hour per month increase to Transit Zone operations, for a total of 600 hours per month.
- The Coast Guard budget was increased in FY 2006 to fund 1,500 additional C-130 flight hours, which will also help close the MPA gap. Additionally, the USCG's Integrated Deepwater System acquisition will field the first 3 of 36 total Medium Range Surveillance (MRS) aircraft in FY 2007, and the first of 45 Vertical Takeoff and Landing (VTOL) UAVs is scheduled for delivery in 2008. These capabilities, along with future high altitude/high endurance UAVs, will contribute to the eventual establishment of persistent wide area surveillance in the Transit Zone.
- The U.S. Air Force deployed E-3s to support the Air Bridge Denial program, freeing CBP aircraft for maritime patrol operations.
- DOD is supporting British NIMROD operations in Curaçao.
- The U.S. Navy has improved the on-station time of their P-3s.
- DOD is working to add Canadian Auroras to the effort.

We will continue to make the provision of MPA capability a top priority, emphasizing the need for continued strong support from all of the force providers, to include our foreign allies. Going forward, national security priorities will dictate the extent to which we are able to regain some of the capability that has otherwise been dedicated to winning the Global War on Terror, and Operations Iraqi and Enduring Freedom.

c. Why was ONDCP's solution to the MPA issue not highlighted in the 2007 National Drug Control Strategy?

The 2006 National Drug Control Strategy provided an overview of the very significant accomplishments achieved in the transit zone, particularly the record seizures coordinated by JIATF-South. We will continue to work within the Administration, and with our partners in the Congress, to ensure that adequate maritime patrol aircraft hours are provided to support the critically important counter drug mission.

d. Please provide an ONDCP/USIC projection for community-wide MPA resource hours that will be committed to the transit zone for drug interdiction for FY 2006-FY 2010.

See response to a. and b. above.

Questions relating to Safe and Drug-Free Schools

1. The Administration is once again proposing to eliminate the State Grants program portion of the Safe and Drug-Free Schools and Community program, despite the fact that Congress rejected this proposal last year and funded the program at \$346.5 million.

Specifically addressing this program, the Conference Report accompanying the FY 2006, Labor, Health and Human Services and Education Appropriations Act highlighted the fact that the Education Department administrators of SDFSC have neglected to collect state reporting data.

Given that neglect in collecting data necessary to measure the effectiveness of the State Grants program, on what basis is the Administration again asserting that the State Grants program is "ineffective"?

Data collected by the States concerning youth drug use and violence play a significant role in State efforts to assess progress related to preventing youth drug use and violence. However, State-level incidence and prevalence data of the type and quality that the States currently collect are no substitute for nationally representative data when assessing whether the State Grants program, overall, is making an investment toward positive outcomes.

The Administration's assessment of the SDFSCA State Grants program as "ineffective" is based primarily on the 2002 PART assessment of the program. Among other things, the PART cited a 2001 RAND study, which determined that the structure of the Safe and Drug-Free Schools and Communities (SDFSC) State Grants program is fundamentally flawed. It concluded that the SDFSC grants, which distribute funds according to a formula, are spread too thinly to support quality interventions. For example, 64 percent of local educational agencies were provided with allocations of less than \$10,000 amounts that are typically too small to develop and maintain effective drug and school safety programs. Considering the 2002 PART assessment, and desiring to allocate scarce federal resources to effective programs, the Administration proposes reallocating resources to SDFSC National Programs – activities that will support drug prevention and school safety projects in a manner that permits grantees and independent evaluators to measure progress, hold projects accountable, and determine which interventions are the most effective.

2. The major reforms relating to the State Grants program required in Title IV, Part A of the "No Child Left Behind Act," were never implemented by the Department of Education. To date, the Department has failed to provide any guidance to the states regarding implementation of the requirements for a Uniform Management Information and Reporting System (UMIRS).

What actions have you taken to get the Department to improve this program?

ONDCP has worked with the Department of Education to encourage the collection of consistent UMIRS data among states in order to facilitate the data aggregation that links state and local activities to national outcomes. However, UMIRS would not address the RAND finding that the state grant amounts are spread too thinly for the program to be effective. Hence, the Administration has proposed a more targeted use of funds – a reallocation to SDFSC National Programs – activities that provide direct support to critical LEAs in amounts sufficient to make a real difference.

Questions relating to the Department of State

1. The day of the Administration budget roll-out, a week and a half ago, my staff asked what the net effect of the counter-drug funding to Colombia would be in the request given that the line item for stopping smuggling of cocaine and heroin by air, the Air Bridge Denial Program, is now expected to be paid out of the Colombia account. My staff was told yesterday that no information on any aspect of the budget request will be provided to Congress until after Secretary Rice has completed her testimony schedule before the House and Senate.

Stonewalling information requests is not restricted to our Committee. The House International Relations Committee tried all week to get the Director of the State Department's Air Wing, who was in town this week, to brief on replacement aircraft in Colombia (some 22 aircraft supplied by the United States have been destroyed and are not budgeted to be replaced). The response? "We are just too busy to brief you."

So it is clear that while a coca-grower is elected in Bolivia and the president of Venezuela is destabilizing the entire region, our South American counterdrug programs are being short-changed and the Administration doesn't want to be up front with Congress. What is the net effect on our counterdrug programs? Will lost aircraft be replaced? Will Colombia and our partner nations see their counterdrug programs cut?

First, we understand that although there were some difficulties in scheduling a briefing on replacement aircraft, INL, including the State Department's Airwing Director, did brief staff of the House International Relations Committee, House Government Reform Committee, and Speaker's Drug Task Force, on this issue on March 2, 2006.

There is no question that the loss of these aircraft has had the effect of reducing some potential capability in Colombia. However, even as those 22 aircraft were lost, others were entering the inventory and the COLAR, the CNP and our contractors were all getting more efficient at using what they had, resulting in improved results with the same number of assets.

The Department of State has been very diligent in replacing lost/damaged spray assets and adding to that capability throughout the life of Plan Colombia. We began Plan Colombia with 54 helicopters, 10 spray planes, and 17 other fixed-wing aircraft, and today we have 147 helicopters, 21 spray planes, and 36 helicopters. We are also in the process of purchasing three more spray assets, this year with FY 2005 ACI funds. They also plan to purchase three more with FY 2006 ACI funds and another three with FY 2007 ACI funds. The specifications of these new aircraft will far exceed those of the aircraft they are replacing. Furthermore, State has additional spray

aircraft programmed for purchase in the out years under the Critical Flight Safety Program for the purpose of replacing aircraft that attrit: \$65.7M under Critical Flight Safety Program in FY 2007, which includes \$6.7M for 2 Huey IIs for Colombia. This is above the service life extension program refurbishment for all of the OV-10 spray aircraft.

As directed by Congress, the Administration is working to nationalize as much of the Plan Colombia program assets as makes sense over the next several years – that involves reducing our funding support for much of the hardware, the fuel, the maintenance and the contract personnel currently involved in the counterdrug programs in Colombia. However, we do not intend to remove our support before the mission objectives have been attained.

The original intent of the Plan Colombia was to provide Colombia a certain capability to support a very specific strategy over a limited time. The U.S. was to beef up Colombian capability to push into the South, the coca-cultivating breadbasket in 2000. That capability was a combination of mobility assets (UH-60s and Huey IIs), spray assets, alternative development programs and justice reform initiatives. The assistance was focused more on counternarcotics than counterterrorism and maritime patrol capability was less of an issue because the U.S. had plenty of assets in the area. The enemy consisted of one drug trafficking organization (DTO), the North Valley Cartel, which was not as big as the old Cali and Medellin cartels. Coca cultivation was centered in southern Colombia in huge, plantation-sized fields. The objective was to reduce cultivation by 50 percent in Putumayo within 5 years. That objective was easily exceeded through a coordinated aerial eradication campaign that expanded the reach and presence of the Colombian military and the Government of Colombia in previously outlying areas.

The situation in Colombia and the world has changed considerably since the start of Plan Colombia. The mid-sized cartel has fragmented into numerous smaller drug-trafficking entities and three foreign terrorist organizations (AUC, ELN, FARC) have been recognized as being deeply involved in drug trafficking, to the point where they have become DTOs. Counterterrorism is now an important mission in Colombia. Pursuing the leaders of the foreign terrorist organizations (FTOs) is a legitimate CN mission because of their involvement in drug trafficking, but it puts an unforeseen toll on CN assets procured for Plan Colombia. Coca cultivation has moved away from southern Colombia into other departments in smaller and more hidden plots. Aerial eradication has become a more dangerous endeavor as farmers, aided by the FTOs, use ever increasingly lethal methods to defend their fields. This has caused State to better protect the spray aircraft and their pilots by adding helicopter gunships and search and rescue helicopters, making the spray packages larger and more expensive. Finally, maritime patrol aircraft were recalled to protect the U.S. homeland in the wake of 9/11, a capability that is returning to the area of operation in a more effective, targeted fashion, thanks to better intelligence.

The bottom line is that things have changed in Colombia and continue to change as the enemy adapts to our strategy. We have to remain flexible and recognize that yesterday's strategy and tools may not necessarily be the ones we need today or tomorrow. We continue to evaluate the situation in Colombia and in our other partner nations to ensure that we meet the threats there and support our allies to the best of our abilities. Our present funding requests reflect our best

estimate of the situation and of what we will need to attain our objectives and meet the challenges.

2. What specific role has ONDCP played in coordinating counter-narcotics efforts between the Department of Defense, DEA, INL and USAID in critical areas such as Colombia and Afghanistan? What specific changes in policy have been made because of ONDCP's activities?

ONDCP works very closely with other Departments and the interagency for the coordination of both domestic and international counternarcotics policy and performance measurement. ONDCP establishes, for the State Department and other Drug Control Agencies, broad drug control policy by annually developing, coordinating and releasing the National Drug Control Strategy. With this background of policy guidance, ONDCP annually also provides written drug control budget guidance to the Department and other Agencies, and certifies the adequacy of our drug control budget each fiscal year. For coordination of more specific drug control or program issues, ONDCP chairs or co-chairs several interagency committees, including the Policy Coordinating Committee for International Drug Control (PCC-IDC), as well as the Southwest Border IDC-PCC Sub Group, the Synthetic Drug Inter-Agency Work Group, and the Market Model/Market Disruption Inter-Agency Work Group. In addition, ONDCP participates in relevant Deputies' and Principals' Committee Meetings. For countries where the U.S. has broad policy interests including drug control issues, e.g., Colombia and Afghanistan, there are also country-specific Policy Coordination Committees chaired by the Department of State, which address prominent drug control objectives and which are regularly attended by ONDCP representatives. Other ONDCP coordinating activities include production of the Classified Implementation Annex to the National Drug Control Strategy, oversight of the National Interdiction Command and Control Plan (NICCP), and publication of Interdiction Planning Guidance through the United States Interdiction Coordinator (USIC).

3. INL appears to be the only bureau within the State Department that is included in the Administration's National Drug Control Strategy regarding its work on the Andean Counterdrug Initiative. It is also known, however, that USAID plays a crucial role in the implementation of ACI and "alternative development" programs. USAID also implements one of the Alternative Livelihoods Program in Afghanistan, as a part of the USG 5-pillar counter-narcotics plan in Afghanistan. Why aren't these USAID programs listed in the National Drug Control Strategy?

The 2006 ONDCP Drug Strategy includes a text box on page 39 which describes in some detail the critical role USAID plays in the establishment of an effective Alternative Livelihoods Program in Afghanistan. The four major elements of this program are highlighted: 1) Immediate Needs; 2) Comprehensive Development; 3) High Visibility; and the 4) Good Performers Fund. ONDCP believes that USAID also plays a critical role in the Andean Counterdrug Initiative via its extensive alternative development programs in Colombia, Bolivia, and Peru.

Questions Relating to Department of Health and Human Services

1. One of our most critical national drug abuse problems today is prescription drug abuse, second only to marijuana abuse. Conspicuously absent from the scrutiny of the drug budget oversight is the Food and Drug Administration (FDA) which is responsible for drug approval. The FDA consistently claims that the problem of diversion and abuse is solely one for the DEA.

a. Does it seem incongruous to you that the FDA maintains sole authority to approve drugs – including drugs likely to be abused – and at the same time, maintains official non-involvement in any sort of drug control program?

b. Why doesn't ONDCP certify a drug control budget for the FDA?

c. Short of Congressional action establishing formal ONDCP scrutiny over the FDA for drug control budgeting, or establishing a formalized role for the DEA in the drug approval process, what can be done to bring the FDA to the National Drug Control Strategy table?

Under the Federal Food, Drug and Cosmetic Act, the Food and Drug Administration (FDA) is solely responsible for approving drugs, including those with potential for abuse, for medical use based on the safety and efficacy of the substance. Under the Controlled Substances Act (CSA), DEA is responsible for scheduling substances based on their abuse potential. Scheduling under the CSA imposes restrictions intended to limit illegitimate use and abuse, while still allowing access to drugs for useful and legitimate medical purposes. FDA plays an important role in the scheduling process by providing DEA with a medical and scientific evaluation on a substance and a recommendation on whether the substance should be controlled under the CSA. In addition, although FDA is not a drug control agency as that term is defined by statute, ONDCP and other drug control agencies such as DEA work closely with FDA on a variety of drug control issues, including strategies to reduce the illicit use of synthetic drugs like controlled substance prescriptions and reduce abuse of prescription drugs.

The ONDCP Director designates drug control agencies for inclusion in the drug control budget at the Department level. ONDCP has coordinated with FDA several times on issues relating to medical marijuana and the non-medical use of prescription drugs. In March 2004, an Administration initiative was announced joining several agencies in an effort to address growing prescription drug abuse. The effort brought the efforts of FDA, Federal substance abuse prevention and treatment agencies, and law enforcement to bear on the factors contributing to rising prescription drug abuse. The strategy incorporates education of medical professionals and consumers, outreach to businesses involved in Internet commerce, pharmaceutical manufacturers, and pharmacies, as well as increased investigation and enforcement activities. DEA, in conjunction with FDA, has implemented additional investigative efforts and enforcement actions against the illegal sale, use, or diversion of controlled substances, including those occurring over the Internet.

FDA's primary mission, as it relates to drugs, is to ensure that prescription and over-the-counter drugs are safe and efficacious for use as labeled. The diversion of such drugs for non-medical use, however, falls under the mission of the DEA. FDA has not been

included in the drug control budget since FY 2001. Even then, the only part of FDA's budget that was included in the drug control budget was that portion that dealt with underage tobacco use.

As noted above, the division of roles between FDA and DEA is clear. FDA is charged with the scientific assessment of the safety and efficacy of drugs and devices, and their approval and regulation. DEA is charged with enforcement of controlled substances laws and to curtail the illicit drug trade.

Questions from Congressman Patrick McHenry

Early warning and detection is a key component to identifying drug trends and being able to combat new threats. The meth epidemic has quickly spread from out West to Western North Carolina and a number of health, environmental, and criminal problems have ensued.

The use of such an early warning system for the supply and demand of drugs was mentioned in your Oct. 2004 National Synthetic Drugs Action Plan. Then the Synthetic Drug Interagency Working Group (SD-IWG) introduced in the May 2005 interim report the Early Alert and Response Mechanism (EARM) to indicate at a relatively early state the emergence of a specific synthetic drug abuse threat.

- 1. Can you provide us the status of the pilot program that was to begin during the later months of 2005?**
- 2. Perhaps the cost, location of pilot program area?**
- 3. Are the Federal agencies able to work with states and local law enforcement and public health agencies to take advantage of this technology and start to track and confirm the drug use in their areas?**
- 4. Have the monthly meetings been set up to evaluate the data and discuss how the system will work?**
- 5. Being meth specific: While we are waiting on the Meth Epidemic Elimination Act to be enacted, which will restrict the sale of precursor chemicals and enhance penalties for production, possession, and trafficking, can the EARM help to identify emerging trends in the country?**

The Early Alert and Response Mechanism utilizes a combination of the DEA's Methamphetamine Task Force (MTF) and other information capabilities regarding prescription drug abuse. The MTF collects investigative and intelligence information concerning methamphetamine trafficking and trends from domestic and foreign DEA offices, state, local and foreign law enforcement agencies, domestic and foreign regulatory counterparts and competent authorities, prosecutors, law enforcement professional groups (such as the Clandestine Laboratory Investigators Association) and law enforcement networking groups (such as the HIDTA Sponsored National Methamphetamine Chemical Initiative). MTF components analyze this information on a monthly basis, focusing their efforts in such areas as trends in chemical trafficking and manufacturing methods, clandestine laboratory cleanup issues, changes in trafficking routes and patterns, regional abuse and distribution patterns, chemical and equipment sources and methods of procurement, foreign and domestic precursor sources, smuggling, methods of financing and other issues that effect the overall methamphetamine trafficking situation worldwide. After completing the analysis of this information, MTF components identify specific methamphetamine related issues that require action. The MTF formulates ideas and methodologies that will provide potential solutions to address the identified issues.

With respect to prescription drug abuse, all health care professionals authorized to prescribe controlled substances are required to register with the DEA. The DEA, in turn, receives very general data, without any patient identifying information, highlighting the number of controlled substance prescriptions written by each DEA registrant. Law enforcement evaluates information

received regarding physicians' prescribing habits and determines whether additional information is necessary. As part of the Administration's strategy to reduce opportunities to divert controlled substance prescriptions, law enforcement examines situations where prescribers write prescriptions for an unusually and obviously high number of controlled substances absent legitimate circumstances to identify emerging trends in prescription drug abuse.

The SDIWG considers information, ideas, and policy recommendations from DEA's methamphetamine task force and from the controlled substance prescription system referenced above. The SDIWG brings together all federal agencies that have statutory jurisdiction concerning any aspect of methamphetamine manufacture, trafficking or abuse, or prescription drug diversion, and the SDIWG is charged with making policy recommendations concerning emerging trends in the abuse of synthetic drugs. If approved by the SDIWG, the recommendations are forwarded to policy makers for further action and incorporation into the National Synthetic Drug Control Strategy.